

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Southern California Edison Company

Docket No. ER08-375-000

(Issued March 3, 2008)

Attached is the statement by Commissioner Wellinghoff concurring in part and dissenting part to an order issued on February 29, 2008, in the above-referenced proceeding. *Southern California Edison Company*, 122 FERC ¶ 61,187 (2008).

Kimberly D. Bose,
Secretary.

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WELLINGHOFF, Commissioner, *concurring in part and dissenting in part*:

This order is based in significant part on the Commission's November 2007 order that granted transmission rate incentives to SoCal Edison for the DPV2 Project, the Tehachapi Project, and the Rancho Vista Project.¹ I concurred with that order, writing separately to explain why I felt that it was appropriate for the Commission to grant those incentives. For the reasons set forth in my previous concurrence, I continue to support the granting of those incentives to SoCal Edison.

I am concerned, however, about the implications of certain aspects of this order. The majority carefully establishes a proxy group for purposes of a DCF analysis, but then brushes aside any consideration of the midpoint or median of the zone of reasonableness that results from that analysis in determining the appropriate overall ROE. By ignoring the midpoint or median of the zone of reasonableness, I am concerned that the majority skips an important step in assessing the appropriate relationship between the incentive ROE adders to be granted to an applicant and that applicant's overall ROE. I discuss these concerns in greater detail in my partial dissent to *Potomac-Appalachian Transmission Highline, L.L.C.*, which is issuing concurrent with this order.

Noting those concerns, I support the decision in this order to accept, subject to refund and the outcome of a paper hearing, SoCal Edison's proposed tariff revisions that are designed to implement incentives previously granted to the company.

Jon Wellinghoff
Commissioner

¹ *Southern California Edison Co.*, 121 FERC ¶ 61,168 (2007).